

**I-81 Multi-State Meeting
Kingsport, TN
July 26, 2005**

Meeting Summary:

TDOT Commissioner Gerald Nicely welcomed all the state representatives to Tennessee and emphasized the importance of coordination meetings such as this one.

Ed Cole thanked Virginia for starting this multi-state coordination meeting on I-81 last year. He also explained that this meeting was for each state to share their plans for the I-81 corridor and to ask questions of other states along the corridor. Because the I-81 corridor affects more than just the states that it runs through, Mr. Cole welcomed Kentucky and North Carolina participant, as well as a representative from Canada.

State Briefings

Virginia, Fred Altizer, I-81 Program Manager, presenting:

Virginia's segment of I-81 has seen a major increase in freight traffic—I-81 was designed for 15% trucks, but is now 20-40%.

VDOT began NEPA in 2004 using tiered EIS process to determine: Tier 1- corridor-wide decisions, and Tier 2- site-specific decisions. Tier 1 includes highway and rail concepts. The concepts to be presented include additional number of lanes, whether lanes are separated for trucks and/or cars, defined segments, and additional rail capacity. Consultants were aiming for public hearings for EIS in late Fall 2005, but it may be next year before information is ready.

VDOT submitted a tolling application to FHWA in March 2003 for funding potential improvements. In March 2003 VDOT received "conditional provisional approval." Tolling must be supported by Tier 1 EIS, and there are other requirements VDOT is working on before FHWA grants final approval.

In Virginia, there is a Public Private Transportation Act of 1995 (PPTA) through which under VA law, proposals by private entities can be solicited or submitted (VDOT has now received more than 80 proposals under PPTA for various roadway and facility improvements, not just for I-81). In March 2004, VDOT began negotiating with a consortium called STAR Solutions to be the operator of potential I-81 improvements. However, the decision on whether to work with STAR or do something else has not been decided. NEPA provides the basis of the decision, no matter what negotiations are happening at this point.

Laura Bullock, VDOT I-81 Public Affairs Manager, presenting:

VDOT has had a challenge to get citizens in VA to understand the multi-state and regional importance of I-81. There are several parts of the I-81 program that are happening concurrently: EIS, tolling application, private proposals. These separate, but connecting parts all present challenges in getting people to understand the differences and how they will eventually work together. Another challenge is that a private entity got the message out about their proposal before other initiatives and this confused the public. The huge population along the corridor is another challenge. This is complicated further when there are complicated issues, and interest groups are sending the public simplistic answers that people find easy to remember, such as “rail is the answer.”

VDOT has used several methods of public outreach/ involvement:

- General public- easy-to-remember website, www.I-81.org and newsletter
- Personal presentations, meetings, & public hearings
- Outreach to special interest groups including video conferencing with experts at VDOT
- Participating in forums and panel discussions; regular correspondence with over 40 localities
- Want something new to give to the media about I-81 monthly
- Selected key reporters and keep them well informed
- Plans to do more commentaries in newspapers

Right now there are more than 160 concepts for I-81 solutions. This information will be put on www.I-81.org.

Key messages VDOT has used: Get facts on www.I-81.org; no decisions have been made; and NEPA will provide the basis for decision-making.

Irene Rico-FHWA-VA Division- Assistant Division Administrator presenting:

Key areas of FHWA involvement: PPTA, innovative contracting practices, negotiations (comprehensive agreements), tolling, EIS, and financial issues. One large financial plan including all issues is being developed.

Looking ahead, goals are to:

- Complete negotiations with private sector
- Tolling interstate pilot program, receive approval at Tier 2
- EIS complete for Tier 1—ROD Jan 2006—various Tier 2 documents
- Financial program –complete multi-purpose financial plan

George Conner- Virginia Department of Rail and Public Transportation presenting:

Presented current truck flows and current rail flows, summary of a marketing study of shippers and truckers in many states and an ROI analysis that assesses potential use of rail and what conditions shows best use.

Trucks by direction-major flow north and many trucks return by a different direction. There are 40% more trucks as vehicles; 60-70% through trucks. Truck traffic estimated to increased 90% in 2020.

These studies show that If VDOT invested 500 million dollars it would bring a short-term diversion of 10% and long term 5%. If several states along the corridor spent 2.8 billion dollars, the short-term diversion would be 14.6%, and the long term spending \$7.9 B would equal 30% diversion.

You can't just build railroads to solve the problems, must also build highways.

Around TN, the study showed a need for multi-modal facilities in Knoxville, Memphis, & Huntsville.

Current amount of trains is 22-27. A short-term investment from VA only would get 6-12 train increase. A multi-state investment would get up to 90+ train increase. This is a policy issue—must be multi-state to work.

Questions to VA Delegates:

Is there a better description of the EIS Tiers? Yes, on the www.I-81.org website under Environmental Documents.

Do any tolling concepts consider different options like HOT lanes? Not at this point, these are Tier 2 issues.

TENNESSEE, Jeanne Stevens presenting:

Tennessee is completing their Long Range Transportation Plan, which, in the 10-year strategic corridors, includes I-81, I-75, I-40, I-65 North, I-69 West as major corridors. Corridor planning approach includes multi-modal investments, systems management (incident management; lane pricing), and considering sharing ROW with Rail.

TN has discussed Freight diversion. For the East-West corridor through TN, the next 25 years shows a negative cost-benefit ratio for filling in the gap within TN—this would only postpone the widening of I-40 5 years.

Near term investments to I-81 will be rail improvements including:

- Chattanooga to Bristol rail that runs parallel to I-81--- want partnerships with railroads
- Grade separations at highway crossings and safety upgrades will improve rail operating speeds
- From Knoxville to Bristol-create a bi-directional signaled double track—inter modal facility at Knoxville because most want to go northeast or south

Growth in 2030 trucks will be 29-34% on I-81—will rise around Morristown area (very divertible for rail). All traffic is projected to double through TN—not just trucks in the next 20 years. Trucks are currently 10% total VMT in TN as in past 20 years. I-65 South in TN has highest truck percentage at 48%, while I-81 is at 30%. What could change the assumptions? 1) Cost of trucking increase may

shift production/demand patterns and 2) Tolls placed on I-81 upstream of TN may divert truck traffic onto other routes in TN.

West Virginia, Randy Epperly presenting:

There is 26 miles of I-81 in WV. WVDOT is currently widening to 6 lanes the north part. They have completed construction (5-6 miles) on southern part. I-81 in WV is approximately 20% trucks (was 7-8 years ago 30% trucks)—there has been an increase in commuter traffic.

2030 traffic at VA line is estimated at 98,000 and 94,000 at MD state line and truck traffic increases to 30% +.

Other improvements along the I-81 corridor include airport improvements. The CSX line and Amtrak line into DC covers both freight and passenger. WV has plans to increase passenger but not freight portion. However, if other states increase rail for freight, WV might need to also.

Up to this point, WV has done widening on inside of already bought ROW. There is a Level of Service is D & E in many areas.

WVDOT projects along I-81 include:

- Widening of bridge at WV 45
- Other recent widening of interchanges
- New interchange at Dry Run
- Addition of truck lane restrictions at MP 11.65 to 17.90 and also widening to 6 lanes.
- To be widened at MP 17.9-21.40 to 6 lanes and further north.
- Seeking plan for needs on I-81 and WV9 to find innovative financing for these needs.

WV is getting calls from trucking companies about the completion of Corridor H so they can bypass possible tolling on I-81, they are also interested in WV 9 to go into D.C.

Maryland, Nicole Washington presenting:

MD has only 12 miles of I-81, but it is a very urban interstate section that includes a regional airport.

MD sees emerging problems at interchanges and increased truck traffic (30%). MSHA have held public meetings in May 2004 and community meetings mainly over concerns on tolling and noise. A location/design hearing was held in Oct. 2004 with most of the comments on the toll option. I-81 in MD is mostly 4-lane divided, although the I-70 interchange roadway it is larger.

MSHA has presented alternatives for I-81 improvements:

- Recommended is now alternative 3A- adding 12 ft. lanes to inside and interchange improvements and collector/distributor roads.
- Large interchange improvements (increase ramps) at I-70 and I-81 interchange and are coordinating with PA at state line.

- Looking at truck weight and inspection station additions--Proposed site southbound side between Halfway Blvd. and US 40.
 - Are adding this in proposal improvements for safety benefits
 - Looking at C-vision to help with this

Various toll options no longer on table because of huge opposition—and so many ways to divert off I-81 that it wasn't as useful. The recommended alternative has no displacements and is estimated at costing \$555 to \$560 million.

Next Steps include:

- Administrative Selection meeting- August 2, 2005
- Final Environmental Document--Fall 2005
- Receive Location and Design Approval-- Spring 2006

Pennsylvania, Walt Panko presenting:

South Central PA has grown fastest over the last 30 years. There are 6 projects under construction (\$105 million). PennDOT is proposing 19 projects totaling \$205 million. ITS projects are programmed and planned for Harrisburg and Scranton areas.

Lucene Bastain presenting:

Presented information concerning rail in PA. Norfolk Southern rail line parallels I-81. There are several inter-modal facilities along the corridor in PA. PA is working on a goods movement study and it should be finished by end of 2006.

Mike Lapano presenting:

PA has done an I-81 Widening Study (www.i-81study.com) to take a look at 77 miles of corridor. There are 7 segments for the study. The mainline evaluation was no interchange improvements. The average traffic ranges from 43-44,000 to 79,400 (around Harrisburg), including 30-40% trucks. The needs include the following: Reduce congestion, eliminate deficiencies and improve safety. In 2030, the No build gets LOS E & F. Improvements include addition of lanes to meet LOS, need, and safety. PennDOT is also looking at ITS and incident management along the corridor. If widening is to inside lanes, the estimated cost is \$17-23 Million per mile; if widening to outside lanes, the estimated cost is \$25-30 million per mile. The segment cost summary total \$1.58 Billion. There are funding constraints. They are studying other concepts besides total widening. The summary report of the I-81 widening study was published in spring 2005.

New York, Ken Carlson presenting:

NYDOT has a statewide corridor planning effort that focuses on customers' wants and needs. They focused on key user groups and corridors most important (trade, commuters, tourist, intercity). The trade Corridor is a band of multimodal facilities. This study's emphasis is on connectivity and minimal number of essential corridors. The Statewide Framework describes the system with a broad perspective to identify problems and solutions. Corridor studies are multimodal and integrate all user types with extensive stakeholder input to establish the corridor vision and balance conflicting needs.

Currently there are no real capacity problems on I-81 in NY, except for 1000 Island Bridge going into Canada. There are problems in operations around Syracuse because of snow. One example of how to optimize operations in this area is to have early plowing for through traffic instead of waiting to plow for commuter traffic. There is need for various bridge work along I-81. Multi-jurisdictional coordination is also an issue in NY.

A haulage rights agreement reached last fall involving CN, CXS, and NS; and a project that will improve clearances to allow double stacked container that will be completed this fall will provide a more attractive rail option for forest products moving along the I-81 corridor from eastern Canada to the mid-Atlantic region. Taken together these actions have the potential to divert some truck traffic from the I-81 corridor.

A High-speed rail study is coming up (Buffalo to NYC)
NY looking at Tourism Corridors.

There is a Capital Corridor group looking at a route from Ottawa to Washington. Much of this is on I-81 and is being promoted by the group. It might be good for this group along I-81 corridor to also coordinate with the Capital Corridor group. The contact person is Karen Delmonico, President & CEO, Greater Watertown-North Country Chamber of Commerce (karen@watertownny.com).

Ontario Ministry of Transportation, Norm Meyers presenting:

Presented results from the US/ Canada International Bridge Study on the Thousand Islands Bridge crossing (8 mile crossing- 2 lane road bridge). The study investigated where investments should go. There is \$362 billion worth of trade between US and Canada. Study found that surface highways connectivity to bridge is in good shape and most improvements will be on the bridge. Need to make investment in 2018. There is currently a suspension bridge but will need to be a cable bridge (4 lanes). The investment is estimated at \$237 to \$357 million. There are other alternatives besides improving the bridge, but the recommend alternative is to keep investments with I-81 crossing at the Thousand Islands Bridge.

There are funding Issues such as it is unlikely tolls could pay for this scheduled improvements.

Other plans:

- Canadian Port improvements 2006
- US Port replacement is underway (environmental work & design)
- Moving Canadian port of entry into US
- 2005-08 plan overall ITS strategy & plan
- Long term analysis of bridge structure
- 2009-11 begin environmental process to replace bridge

Additional Presentations:

Norfolk Southern (NS), Bill Schafer presenting:

NS offers Intermodal service defined as transportation of truck trailers on rail between facilities. This is 21% of total business and is a growing part of the business.

There are different types of intermodal options:

Triple Crown Services- trucking subsidiary uses rail exclusively

- Each train is 110 railroaders

Trailers-piggyback on rail cars

- 2 levels of service: Premium and standard
- Major customer- Ups, FedEx, Schneider

Containers – steamship (international) and domestic

- Long trains (2 miles -10000 feet)
- Limited 1 or 2xs a day
- Long distance over 500 miles
- Need specialized trailers to withstand stacking

On the Chicago to LA corridor, rail has 86% market share but on the Northeast to Southeast corridor, rail has only 5% intermodal market share.

The AASHTO Bottom Line Report (January 2003) showed four scenarios for rail by 2020. 1) No growth, 2) Constrained growth (50%), 3) Base case- rails maintain existing 16% share of intercity freight, and 4) Aggressive- Rails increase share to 17%. Both Base case and Aggressive scenarios will require share of public investment

The Reebie I-81 Market analysis (Dec 2003) reported that if rail intermodal service companies offer modestly fast average speeds (30-40 MPH), 95% reliability, more frequent service, more terminals, and use all types of trailers, the public benefit would result in 500,000 trucks attracted to rail Within 5-7 years, equaling 10% total trucks.

Public private partnerships are necessary and the cost for all additional rail capacity is less than its equivalent in highway capacity. Further, AASHTO's Bottom Line Report concluded that without public investment, rails cannot generate enough capital to maintain its 16% share of intercity freight and will lose market share to the highways.

Can Norfolk Southern deliver reliable rail service similar to that recommended in the Reebie Market Analysis (since the characteristics of existing intermodal service differ)?

Yes – examples of service operating over NS with elements identified by Reebie that are necessary to attract short-haul trucks:

- Virginia Railway Express, which hauls passengers – some over NS track – and which absorbs the equivalent of one lane of traffic from I-95 each rush hour

- Premium service offered by Triple Crown Services – reliable, high-end truck service with a rail component
- Reebie recommended “open” technology, available in Canada, and which NS could offer

Q: How can the public be sure that public investment made in rail infrastructure will be used for public purposes?

- A. Modest amounts of public investment – principally from state DOTs and FRA – have been made for years. Those investments have usually been accompanied by a clause guaranteeing the public entity a contingent interest in the value of the improvements, meaning that if the improvements are later abandoned or not used by the railroad, the public entity has a mechanism to recoup the undepreciated portion of the asset.

Q. Don't freight railroads receive public funding today?

- A. Freight railroads as a rule receive no public funding.

I-81 Meeting Wrap up presented by Gene Conti of PBS & J:

Point to take away from this meeting include

1) Corridor Planning is very important both on operational and construction issues. It is important to look at big picture rather than smaller projects.

Other corridors doing similar planning:

- I-95 coalition
 - VA and MD has done much work multi modally on I-95
- NC has I-85 corridor (intercity rail with Norfolk Southern)
- Atlanta has looked at many solutions- public private partnerships
- CA- toll roads and other modes
- I-5 in Washington and Oregon
- I-35 Canada to Mexico has FHWA funded study
- Trans- Texas Corridor
- “Wanna-be” Corridors—mostly for economic development
 - Continental One
 - Capital Corridor
 - I-73/74 Corridors
- **Recommendation for this group to get formal study from FHWA funded**

2) Public involvement is very important throughout the process and will bring ultimate success.

3) Partnerships are critical

4) Financial innovation is critical

Renewed interest in toll authorities

Concession agreements

- 5) Assumptions and how it will affect everyone is important
Important to be flexible and continuously monitor what we do

Wrap up Questions from Audience

Should all states along the corridor express resolution for want of FHWA study as VA has done?

- TDOT commented on VA's resolution letting them know of our multi-state meeting
- Need further studies on economic and commodity flows through corridors
- All these states can put a proposal together and be brought forward to FHWA Headquarters
- Will get representative from each state to be lead person
- NC submitted that there needs to be more common tools available for planning on this corridor
- Ken from NY—said that I-95 coalition uses a shared GIS database for corridor planning
- George Conner (VDRPT) emphasized that this corridor really goes from Louisiana to Canada (I-70, I-75, I-81, I-85, I-77)—it is a trade/transportation corridor
- Need to also include FRA, FHWA & ARC in future plans

Who will host next meeting? —MD might be interested in hosting the next meeting.

Next Steps:

Prepare draft proposal to FHWA—VA has a 6-person group conference call that disseminates information

Create an internal website to share (VA has already begun this)